



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 5, 2011

CERTIFIED RETURN RECEIPT
7005 2570 0000 4801 9943

Kelly Payne
Kennecott Utah Copper
4700 Daybreak Parkway
South Jordan, Utah 84095

Subject: Evaluation of Reclamation Surety, Kennecott Utah Copper, North Tailings Impoundment, M/035/0015, Tooele County, Utah

Dear Mr. Payne:

The Division of Oil, Gas and Mining's last reclamation cost estimate for the North Tailings Impoundment was \$20,374,600 escalated to 2011 dollars, so the reclamation surety amount is now due for review and adjustment. The Division may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

The Division has developed spreadsheets to assist both the Division and mine operators to calculate the reclamation surety amount using standard unit costs. They are available on the web site at <http://www.ogm.utah.gov/minerals/> Please complete these forms and return a copy to the Division for review. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. **Please submit the reclamation cost estimate as an amendment to the Notice of Intention to Commence Large Mining Operations (LMO) by December 5, 2011 so the information can be incorporated into the approved plan.**

If you have questions about the spreadsheet or calculations, please contact Wayne Western at 801-538-5263 or by e mail at waynewestern@utah.gov.

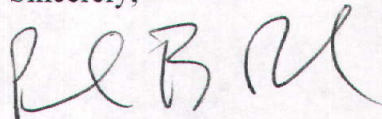
The Division also requests that you review the current LMO to ensure it is adequate and reflects the current operating conditions. Any necessary changes should be addressed by submitting an amendment to the LMO.



Kelly Payne
Page 2 of 2
M/045/0015
October 5, 2011

Thank you for your cooperation. Please call me at 801-538-5261 or the Leslie Heppler at 801-538-5257 if you have questions about this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBB' followed by a stylized flourish.

Paul B. Baker
Mining Program Manager